

Moelto, J

UNITED STATES OF AMERICA,

Plaintiff,

-against-

FIRST FUNDS, LLC, FIRST FUNDS  
HOLDINGS, LLC, and PRINCIPIS CAPITAL,  
LLC,

Defendants.

Case No. 10 Civ. 6540 (JGK)

**STIPULATION AND ORDER  
OF SETTLEMENT**

WHEREAS, Plaintiff United States of America ("Plaintiff") brought this action on behalf of its agency, the Internal Revenue Service, to foreclose on tax liens and to recover damages for tortious conversion of its property against defendant First Funds Holdings, LLC, f/k/a First Funds, LLC ("First Funds");

WHEREAS, Plaintiff brought this action against Principis Capital, LLC ("Principis") as the corporate successor to First Funds;

WHEREAS, Principis disputes being the corporate successor to First Funds;

WHEREAS, Plaintiff and Principis agree that it is desirable that this action and the claims alleged therein be settled upon the terms and conditions set forth herein to avoid further expense and uncertain, burdensome and potentially protracted litigation, and to resolve all claims that have been or could have been asserted by each against the other with respect to Completely Casual's tax liability for the 2004, 2005 and 2006 tax years;

IT IS HEREBY STIPULATED AND AGREED, by and between Plaintiff and Principis as follows:

1. Plaintiff and Principis agree to settle and compromise this action on the terms indicated below.

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DATE FILED. 7/8/14

2. All claims in this action are hereby dismissed with prejudice and without costs, interest, disbursements or fees, other than as set forth herein.

3. Principis will pay to Plaintiff the sum of \$500,000.00 (the "Settlement Amount") in full satisfaction of any and all claims against any party relating to Completely Casual's tax liability for the tax years 2004, 2005 and 2006. The Settlement Amount is inclusive of all costs or attorney's fees of any kind.

4. Plaintiff agrees to accept the Settlement Amount in full settlement of any and all claims Plaintiff, or any agency, department, employee, agent, or officer of the Plaintiff, has or may hereafter acquire against Principis (and each of its current and former parents, subsidiaries, affiliates, controlled companies, officers, directors, managers, shareholders, members, partners, employees, predecessors, successors, assigns, agents and attorneys) relating to Completely Casual's tax liability for the tax years 2004, 2005 and 2006.

5. Principis agrees to pay the Settlement Amount on or before August 1, 2014. Principis's payment shall be made by certified check or money order, made payable to the United States Treasury, and shall be delivered by certified or registered mail to the United States Attorney's Office -- Southern District of New York, Attention AUSA Brandon Cowart, 86 Chambers Street, 3rd Floor, New York, New York 10007.

6. This stipulation and order shall not constitute an admission of liability or fault on the part of any party hereto.

7. Plaintiff and Principis understand and agree that this stipulation and order contains the entire agreement between them, and that no statements, representations, promises, agreements, or negotiations, oral or otherwise, between them or their counsel that are not included herein, shall be of any force or effect.

8. Counsel for Plaintiff and Principis each represent that they have been duly authorized by their respective clients to enter into this stipulation and order on their behalf and that this stipulation and order is legally binding on their respective clients.

9. This stipulation and order and the releases contained herein shall be governed by, interpreted under, and construed in accordance with federal law in this jurisdiction.

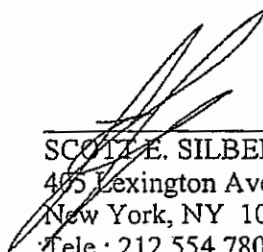
10. This stipulation and order shall be binding upon and inure to the benefit of Plaintiff and Principis.

11. This stipulation and order may be executed in one or more counterparts, each of which shall be deemed to be one and the same stipulation and order.

Dated: New York, New York  
July 7, 2014

MOSES & SINGER LLP

By:

  
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Counsel for Principis Capital, LLC

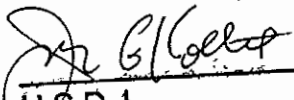
Dated: New York, New York  
July 7, 2014

PREET BHARARA  
United States Attorney for the  
Southern District of New York

By:

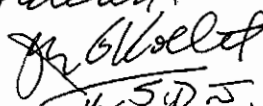
  
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Counsel for the United States

**SO ORDERED:**

  
U.S.D.J.

7/8/14

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The Clerk is directed to enter judgment  
and to close this case. SO ORDERED.  
7/8/14   
U.S.D.J.

SO ORDERED:

\_\_\_\_\_  
JOHN G. KOELTL, U.S.D.J.

Date: July \_\_\_\_\_, 2014

*km*